

MINUTES

MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN CAROLYN SQUIRES**, on January 28, 2005
at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Carolyn Squires, Chairman (D)
Sen. Joe Balyeat (R)
Sen. Vicki Cocchiarella (D)
Sen. Mike Cooney (D)
Sen. Jon Ellingson (D)
Sen. Jeff Essmann (R)
Sen. Steven Gallus (D)
Sen. Rick Laible (R)
Sen. Dave Lewis (R)
Sen. Jim Shockley (R)
Sen. Joseph (Joe) Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Dave Bohyer, Legislative Branch
Claudia Johnson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted:	Confirmation Interviews: Janet Kelley , Department of Administration Nancy Peterson , Department of Agriculture Anthony Preite , Department of Commerce
Executive Action:	None

Janet Kelly - Director, Department of Administration

Background: Ms. Kelly presented a short biography. From 1989 through 2004, she served as Custer County Commissioner. Prior to that, she worked as a business instructor at the Miles City Community College, and as an Administrative Assistant at the Montana State Department of Social and Rehabilitation Services in Miles City. Ms. Kelly holds a Bachelor of Arts degree in political science from the University of Wisconsin and a Master's degree in business administration from George Washington University in Washington D.C. Prior to moving to Montana in 1981, she worked in Washington D.C. for twenty years, starting as staff person for two members of Congress. Subsequently, she held several positions as business manager for law offices which were involved in dealing with the Senate and the House, representing several consulting organizations; this gave her a strong background in terms of business management and government. She is married to Patrick J. Kelly.

{Tape: 1; Side: A; Approx. Time Counter: 3.8}

Questions from Committee Members and Responses:

SEN. DAVE LEWIS, SD 42, HELENA, stated the Department of Administration was extremely diverse and asked Ms. Kelly about her priorities for the next four years, specifically issues the Governor would like for her to look into. **Ms. Kelly** replied her long term goal as director of the Department was to improve existing communications with the directors of other State agencies. She contended the Department provided services to the other agencies, which in turn allowed them to provide services to the citizens. She wanted to make sure that the Department was tuned in to the needs of the various departments in order to address problem areas and facilitate improvement. **Ms. Kelly** stated she would work towards eliminating duplication of services, thereby saving tax dollars. She also wanted the Department to take the lead on workforce planning. Currently, thirty-six percent of state employees were eligible for service or early retirement; in five years, that number will be sixty-one percent. She would like the Department to work with fellow agencies in developing a workforce planning model, enabling them to deal with a large number of State employees scheduled to retire, get existing employees trained to move into those positions and, at the same time, develop a better way to recruit the best and brightest people. She stated that she had specific ideas on working with the other agencies.

SEN. LEWIS asked Ms. Kelly whether she was familiar with **SEN. MANGAN'S** early retirement bill, SB 72, which addressed this very

problem. **Ms. Kelly** replied she had not looked at it in detail but felt some of the introduced bills had some limitations in terms of allowing retired employees to come back to fill in the gaps. She was hopeful that the professional development center located within the Department would come up with new courses which would enable existing employees to get the necessary training to improve or develop management skills, allowing them to move into these positions. She felt it was not in the retired employees' best interest to come back to work on a part-time basis if there were no additional benefits involved. **Ms. Kelly** opined the top priority should be the development of a workforce-planning model in collaboration with the directors of the other agencies.

SEN. LEWIS referred to SB 149, which put limitations on outsourcing, and asked **Ms. Kelly** why the Department was trying to kill the bill even though the requested amendments had been added. **Ms. Kelly** replied it was not a good idea to make promises which could not be kept. The Department still had grave concerns with the implications of the bill, even with the amendments; she added it would be difficult to monitor companies whose employees worked overseas. She was confident her staff would be able to work out a compromise with the bill's sponsor.

{Tape: 1; Side: A; Approx. Time Counter: 12.2}

SEN. CAROLYN SQUIRES, SD 48, MISSOULA, reprimanded the Department for having State employees wait outside the Senate Chamber, trying to force a negative vote on SB 149 while the bill was being debated on the floor; she felt this was not the way to build a relationship between the Department and the Legislature. She added she would take full responsibility for this remark.

Ms. Kelly promised to look into this; she apologized for not being aware of the incident. **SEN. SQUIRES** said that she respected **SEN. LASLOVICH** and was aware that some people did not give him much credit because of his age. In her opinion, he was one of the brightest young men she knew, very knowledgeable and very sincere in what he did, and he deserved more respect as an elected official. **Ms. Kelly** agreed, referring to her opening remarks with regard to improving communications with other agencies; she felt her staff had failed to communicate with **Sen. Laslovich** in a professional manner.

{Tape: 1; Side: A; Approx. Time Counter: 14.8}

SEN. RICK LAIBLE, SD 44, VICTOR, asked **Ms. Kelly** whether the biggest challenge for her agency was the potential of early retirement of key employees. **Ms. Kelly** replied this would not only affect her agency but all others as well; she saw the

Department's role as one which would work with others to implement a workforce-planning model to address this challenge. One area of particular importance was Information Technology (IT), which facilitated work in all areas of State government. Another challenge was to come up with a better method of finding competent and qualified employees to work for State government. The workforce-planning model would address all of these issues.

SEN. LAIBLE asked **Ms. Kelly** whether she would consider a merit-based system such as the one Scott Seacat, Legislative Audit Division, developed and employed for the last thirty years. **SEN. LAIBLE** touted the cost-savings of this system, adding that the agency had been able to promote from within. He suggested Ms. Kelly examine this system and consult with Mr. Seacat to see whether a similar system could be implemented in the Department of Administration.

SEN. LAIBLE inquired about her goals beyond the retirement issue, wondering whether there were any specific issues the Governor would like the Department to address, such as making the Department more viable and cost-effective. **Ms. Kelly** stated she would start by working with all agency directors to identify services they provide which could be assumed by the Department of Administration. She added there were pros and cons in terms of centralized services but it made sense to consolidate some of them because of the cost savings. **Ms. Kelly** advised another important aspect to consider was the cost of employment benefits such as health insurance and retirement benefits. She conceded it may not result in a big savings but would be a way to control the increasing cost of the services and deal with inflation; she emphasized information technology would help achieve this goal.

SEN. LAIBLE asked Ms. Kelly about privatization of the central stores, stressing it required no new capital investment, adding some of the people who might be displaced could find other jobs within the Department or State government in general. He contended this would protect agencies' budgets as well as the taxpayer. **Ms. Kelly** said that privatization should be looked at in a case-by-case basis and stated making generalizations could be dangerous. She repeated the Governor's mantra that first and foremost, agencies work for the taxpayer. As to privatizing the central stores, she advised it should only be done if it would result in a more efficient and timely manner of delivering services. She commended the performance of the current supervisor and stressed consideration would have to be given to the two employees who would be displaced by this move, suggesting possible retraining so they could be placed into other positions.

{Tape: 1; Side: A; Approx. Time Counter: 24.1}

SEN. VICKI COCCHIARELLA, SD 47, MISSOULA, asked Ms. Kelly in what capacity she had managed the largest number of people. **Ms. Kelly** replied she had managed about 8,500 people as County Commissioner. **SEN. COCCHIARELLA** wondered how many employees worked in the Department. **Ms. Kelly** stated the Department had 435 full-time employees. **SEN. COCCHIARELLA** asked her to describe her management style. **Ms. Kelly** advised she would let her supervisors do their jobs as micro-management was detrimental to her goals. She added it was important to keep communications open, not only to provide clarity as to their responsibilities but also for her to be available for advice. She contended basic management principles were the same, whether one managed 8,500 people or 400. **SEN. COCCHIARELLA** inquired what her organizational chart would look like. **Ms. Kelly** stated she felt comfortable with the chart currently in place: deputy director, seven divisions and several other administratively attached entities, such as the Lottery Board and the retirement systems.

{Tape: 1; Side: B}

Ms. Kelly stressed the importance of having supervisors who knew where to find answers should problems arise within their departments.

SEN. COCCHIARELLA commented that in the past, Department directors did not know the people who worked for them and expressed concern because Ms. Kelly had not mentioned employees who provided services directly to the taxpayer and who may be the lowest paid; she wondered whether she would be accessible to them. **Ms. Kelly** felt very strongly that the director of such a large and diverse agency should get to know those employees as they were the ones whose work determined whether she was successful as a director. She added she had taken the initiative to meeting some of the employees on the front line. By the same token, she stated it was important for her to get to know the other department directors to make sure her agency delivered the services needed and to ensure the public was well-served.

SEN. JEFF ESSMANN, SD 28, BILLINGS, referred to her opening remarks and asked if it was anticipated that 61% of the Department's employees would be eligible for early retirement. **Mr. Kelly** advised it was 61% of all State employees. **SEN. ESSMANN** wondered whether this was a concern to her in terms of quality and efficiency of service. **Ms. Kelly** stated that this was the reason for the development of the workforce-planning process. She emphasized the importance of working with the bill sponsors if there was any legislation pending which was detrimental to providing flexibility in dealing with the retirement issue. She planned to "hit the ground running,"

adding the loss of the retiring employees could be mitigated with the help of the professional development center and the planning process.

In terms of the potential turnover, **SEN. ESSMANN** wondered whether part of the planning process might be an evaluation of whether departments within the agency could be privatized. **Ms. Kelly** replied this was a double-edged sword; the largest department within her agency, namely the IT Division, already contracted with the private sector for some services, leaving fewer positions for State employees to move into. She stressed the importance of balance between private and public employees providing services to the public.

{Tape: 1; Side: B; Approx. Time Counter: 8.3}

SEN. JOE BALLYEAT, SD 34, BOZEMAN, asked about her views on extending early retirement incentives as a cost savings in light of the fact that three out of five State employees were due to retire within the next five years. **Ms. Kelly** advised this warranted careful examination to ensure that potential decision would not create another set of problems; for that reason, any proposed legislation dealing with early retirement needed to be fully explored, and she offered to provide whatever assistance or numbers were needed by the Legislature.

SEN. BALLYEAT was curious as to why she had given up her career in Washington D.C., moved to Montana to become County Commissioner in a rural area, and then had made the move to Helena to work in State government; he also wanted to know what had been her toughest decision as County Commissioner. **Ms. Kelly** stated Governor Schweitzer's request to consider the post of Director of the Department of Administration was the culmination of her public life: she had always felt strongly about public service and had wanted to get involved with it; throughout her career, there had always been some connection to public service. She contended she could perform the job well, having a high energy level, a good sense of balance and equity and the confidence of being able to improve the services offered by the Department. As to the toughest decision she had to make as County Commissioner, she could not pick one in particular but advised it was difficult when her decisions were in opposition to the majority's view. She advised elected officials run for office because of their convictions, and they have the courage to make tough decisions.

{Tape: 1; Side: B; Approx. Time Counter: 18.3}

SEN. SQUIRES left the hearing; **SEN. MIKE COONEY, SD 40, HELENA** chaired.

Nancy Peterson - Director, Department of Agriculture

Background: Ms. Peterson submitted and read from her resume and testimony.

EXHIBIT(sts22a01)

EXHIBIT(sts22a02)

{Tape: 1; Side: B; Approx. Time Counter: 20.7}

SEN. LAIBLE surmised she was involved in her family's farming business and wondered whether she could give 100% to this position. **Ms. Peterson** replied that she could, adding all she had given up was the physical labor; she still managed her mother's farm and held a lease agreement on another farm, which her ex-husband was farming with the help of their two sons.

SEN. LAIBLE referred to her work with Amtrak and asked what it had entailed. **Ms. Peterson** replied it was a part-time position, filling in for clerical workers and ticket clerks, which she took in order to help pay for her sons' college education.

SEN. LAIBLE asked her to share her views on the production of ethanol, not only in terms of grain growers but also in terms of cattle breeders.

{Tape: 2; Side: A}

Ms. Peterson felt the time was right for ethanol production because it added more jobs and benefitted both of these industries. It presented a great outlet for raw commodities and a savings to the farmer as the wheat and barley did not have to be transported out of state. Ethanol could be made in the distillery and then shipped and sold to California where it was in high demand. The by-product, distillery grains, could be used as feed for cattle. She added that this new venture was possible because the directors of the various agencies were working together in coordinating their efforts. She contended that cattle and wheat were the two major industries in Montana; ethanol production added value to both of these products and provided an alternative energy source.

SEN. JIM SHOCKLEY, SD 45, VICTOR, stated all of this sounded good but he wondered whether it would have to be subsidized. **Ms. Peterson** advised production cost was close to that of a gallon of gasoline and added incentives to ethanol production were appropriate because it helped Montana's farmers and ranchers. She felt a 10-cent per gallon subsidy would be sufficient as it would help defray investment costs; other states offered as much as 30

cents per gallon.

{Tape: 2; Side: A; Approx. Time Counter: 4.8}

SEN. BALLYEAT asked whether she or the Governor favored mandating the use of ethanol. **Ms. Peterson** advised a mandate may be necessary in time; once the market opportunity was in place, it would necessitate production of this commodity. She envisioned smaller plants in a rural areas and a mandate of ten percent in State vehicles within a certain time frame, touting ethanol as a clean and renewable resource which provided economic development for rural Montana.

SEN. BALLYEAT asked Ms. Peterson if a mandate was the Governor's position as well. **Ms. Peterson** believed it was, as evidenced by SB 415.

{Tape: 2; Side: A; Approx. Time Counter: 7.7}

SEN. ESSMANN inquired how many employees were working for the Department of Agriculture, and how many were eligible for retirement within the next five years. **Ms. Peterson** advised there were 108 employees within the Department, some of which were paid by the Federal government and not considered FTEs. She estimated six employees would retire within the next five years.

{Tape: 2; Side: A; Approx. Time Counter: 9.8}

SEN. COCCHIARELLA asked Ms. Peterson about her management style and organizational chart. **Ms. Peterson** stated the first chart would show the Director, the three division administrators, bureau chiefs, as well as program division and support staff. Her intent was to add another box at the bottom of the chart which would contain producers and consumers. Step No. 2 would involve turning the chart upside down, placing the taxpayers (producers and consumers) at the top and Ms. Peterson at the bottom. She advised the support staff held important positions, and she worked for them and the people of Montana.

{Tape: 2; Side: A; Approx. Time Counter: 12.3}

SEN. JOSEPH TROPILA, SD 13, GREAT FALLS, remarked that he and the people of Montana would welcome consolidation of programs and elimination of FTEs wherever feasible.

(CHAIR SQUIRES returned.)

Ms. Peterson advised that her Department had an annual budget of \$600,000, or \$1.2 million for the biennium, out of a \$2.5 billion

executive budget. She was concerned whether it would be enough to address the Department's goals and vision. The agricultural industry paid for regulatory items such as licenses, pesticides and certifications, and the Department administered and profited from them; she added that most of these programs were self-sufficient. She used the mad cow disease to illustrate how quickly resources can become depleted, due to the increased number of inspections which were necessary to keep Montana's food supply safe and to maintain consumer confidence.

CHAIR SQUIRES asked Ms. Peterson to explain the importance of her position within the Department. **Ms. Peterson** advised, in light of the BSE threat, she was committed to finding the problems in the livestock feed before it was fed to the cattle and ended up in the grocery stores. She touched on the depletion of funds due to the BSE threat and six years of drought, stating it was up to the consumer to decide how much a safe and consistent food supply was worth. She went on to say that the industry was hurting and needed help.

CHAIR SQUIRES inquired whether Ms. Peterson could be the liaison between the two parties in the Legislature and the industry. **Ms. Peterson** stated she had already begun this process; she held a number of meetings with representatives of the Farm Bureau, the Farmers Union, Grain Growers, and Stock Growers. She added the farm groups had organized an Ag Coalition Group which worked toward consensus on various issues affecting their industry; she was involved with each affiliate of the group as well as with the Coalition itself.

SEN. TROPILA referred to the Director sending trade delegations to the Asian countries, advising her to be mindful of always sending the same people as the Asian culture favored long-term relationships.

CHAIR SQUIRES asked SEN. COCCHIARELLA to conduct the interview of Mr. Preite.

{Tape: 2; Side: B}

Anthony J. Preite - Director, Department of Commerce

Background: **Mr. Preite** stated he was honored to have been nominated for this position. He strongly believed that the Department had the responsibility and opportunity to move Montana forward to an era of new job development and prosperity. He believed the challenge to be formidable but was convinced that in working together, great strides could be made. He was committed to developing close working relationships with all other

departments within local, State, Federal, and Tribal government as well as the private sector. He contended that Montana did not enjoy the economic boom of the 1990's; therefore, its road to recovery was much more acute than in other states; this was why it was imperative that all State agencies and departments coordinate their efforts and resources to ensure there was no duplication of program or project funding. He stated a leader had to be a consensus builder or little would be accomplished and pledged to be that leader. **Mr. Preite** advised that the Legislature had made conscientious and deliberate determinations in how public funds were distributed to various State agencies, and as Department Director, it was his duty to guarantee the legislative mandate was carried out in a fiscally prudent manner. His background as owner of small businesses gave him a unique perspective and qualification to exercise prudent judgment in expending taxpayer funds. He cited his previous work with the Department and expressed appreciation for having inherited a professional and dedicated staff. For the Committee's perusal, he provided his resume, and copies of letters written by U.S. Sen. Max Baucus and State Rep. Scott McInnis, Colorado.

[EXHIBIT](#)(sts22a03)

[EXHIBIT](#)(sts22a04)

[EXHIBIT](#)(sts22a05)

{Tape: 2; Side: B; Approx. Time Counter: 11.4}

SEN. COCCHIARELLA asked Mr. Preite about his vision for the Department with regard to the local, statewide, and global economy. **Mr. Preite** advised the Department's vision and mission were both simple and complex; he saw room for improvement by pooling resources, communication, and coordinating efforts with other agencies and the private sector. He contended the private sector created jobs and government was there to lend a helping hand. He believed there were sufficient resources in the State but they were not being used to their full potential because agencies did not work together for the common good.

SEN. COCCHIARELLA asked him about his management style and what his organizational chart would look like. **Mr. Preite** replied the organizational chart would include the Director, various program supervisors and directors; as to the management style, he contended he did not micro-manage and only employed a "hands-on" style if warranted. He added within his agency, his goal was to know each department well enough to know that answers to his questions were accurate; outside of it, he planned to get to know the programs of other departments, other Federal agencies, lending institutions, and Foundations so that he could be sure every measure and effort had been exhausted in trying to solve a

problem before a meeting was adjourned.

{Tape: 2; Side: B; Approx. Time Counter: 16.7}

SEN. LAIBLE referred to the planned tax credits for the film industry to come to Montana, asking his opinion about the potential increase in film production in the State and whether this would necessitate the additional staff. **Mr. Preite** did not know the specifics of the bill but wondered why the State had been successful in attracting the film industry in the past but failed to do so now.

SEN. LAIBLE wondered if he had any goals for the department with regard to this. **Mr. Preite** replied that he did not.

SEN. LAIBLE referred to a newspaper article about Mr. Preite which stated he planned to continue the work that was being done, but with a twist and asked what that meant. **Mr. Preite** stated the Department had done good things in the past which he wanted to build on; the twist was that he did not want to use only the Department's resources to solve a problem but partner with other agencies to get things done.

SEN. LAIBLE asked why the workforce training program had been transferred to his Department rather than to the Department of Labor and Industry.

{Tape: 3; Side: A}

Mr. Preite replied he was not sure but he planned to use those funds to introduce more programs for economic development.

SEN. ESSMANN, a small business owner, recounted his frustration with the lack of technical community college programs which could assist small manufacturers; referring to the Governor's emphasis on enhancing technical college programs, he asked whether he thought community colleges should be transferred to the Department of Commerce as well, and if not, what were his plans for coordinating efforts with the university system. **Mr. Preite** hoped this transfer would not take place but conceded Sen. Essmann was right on target. He added that meetings and discussions with the small business sector did take place, but they were not given the proper tools or resources to move their companies forward. He added that too many programs were funded but never moved out of the "study" phase, transferring theory into actually creating jobs. He cited a University of Montana engineering program funded by the Economic Development Administration, which provided small companies with engineering expertise; however, they had a backlog of about 50 requests

because they did not have adequate resources. **Mr. Preite** advised the Committee of the concerted efforts of the Montana Congressional Delegation to expand funding to two-year colleges. He hoped his Department would be able to use more of the research and commercialization funds to assist small manufacturers.

SEN. ESSMANN asked how he would go about convincing the university system to develop programs that would fit within his economic development plan. **Mr. Preite** advised programs would have to be made more accessible for 19- and 20-years olds but contended the plan would not be successful unless jobs were created for them, ensuring they would not leave and find employment in another state.

CHAIR SQUIRES was concerned that the colleges of technology were slow to respond to employers looking for a specific workforce and asked how he would address this issue. **Mr. Preite** cited MonTech in Missoula, a partnership between the Missoula Area Economic Development Corporation and the University of Montana, housing 17 or 18 new businesses, with the goal of involving 30; the Department had succeeded in getting their rent reduced through a \$250,000 Federal grant to help them get started.

{Tape: 3; Side: A; Approx. Time Counter: 9.5}

SEN. STEVE GALLUS, SD 37, BUTTE, asked Mr. Preite's opinion on the benefits of competitive versus community models to create economic development. **Mr. Preite** advised the competitive model was not his favorite as it tended to shut too many people out; businesses operating on a shoestring often did not have the necessary resources to move on to the next step. He referred to the Bear Claw Development in his earlier testimony, stating if corporations could be built with multi-million dollar revolving loan funds, rather than with loans from conventional lending institutions, they could move forward and grow.

SEN. GALLUS asked what he would do to ensure that peripheral jobs within the Made in Montana program stay in Montana, recalling that a friend of his in Idaho printed the stickers in his shop. **Mr. Preite** said there were rules and regulations dealing with letting bids but expressed disbelief that Montana would not provide the assistance to printing businesses, enabling them to be competitive in their bids.

SEN. BALLYEAT referred to his previous position as Chairman of the Governor's Economic Development Council and asked under which Governor he had held this position. **Mr. Preite** replied it had been Governor Judge.

SEN. TROPILA inquired whether Mr. Preite intended to maintain the relationship with the Prefecture Kuomomoto, Japan. **Mr. Preite** said he would even though he did not know the details or benefits of the relationship.

CHAIR SQUIRES stressed the importance of using Montana companies and not sending contracts out of state.

{Tape: 3; Side: A; Approx. Time Counter: 17}

SEN. LEWIS commented that the statute required bids be awarded to "the lowest qualified bidder."

Mr. Preite pledged to make every effort within the rules and research beyond the rules to keep the jobs in Montana.

SEN. COONEY stated he had been less than impressed with the Department over the years, specifically with the way the Made in Montana program was being handled. He was frustrated as it seemed the Department never had any real direction as programs and projects changed with each administration. He asked Mr. Preite whether his concerns were legitimate, and what he would do to turn the Department around. **Mr. Preite** stated he did not want to delve into the past but made it clear that in every position he had ever held, it had been his goal to move the agency forward, mindful of his commitment to economic development; he was adamant that this could only be achieved through a coordinated effort and pledged to move forward in a fiscally responsible manner, using every available resource to create new businesses and job opportunities.

SEN. GALLUS wondered how many employees the department had. **Mr. Preite** replied it was about 200.

Mr. Preite referred to his handouts, stating one of the recommendations was written by a Democrat and the other by a Republican; he added that politics had no place in community and economic development, emphasizing that he had no hidden agenda.

{Tape: 3; Side: A; Approx. Time Counter: 24.7}

CHAIR SQUIRES asked whether Mr. Preite had any questions of the Committee. **Mr. Preite** did not.

CHAIR SQUIRES commented that the resolutions would not be issued until March or April.

SEN. LAIBLE wanted to know why some of the nominees were segregated and asked for the names of the senators who had pulled

their paperwork.

{Tape: 3; Side: B}

CHAIR SQUIRES advised she would like to keep the names anonymous until the coming Monday.

SEN. LAIBLE acknowledged she had been notified to have certain nominees removed from consideration.

SEN. COONEY stated he made one such request, asking that two members of the Board of Regents, namely Kala French and Mike Foster, be segregated and brought before the Committee as they held important positions, warranting additional scrutiny.

Note: **Janet Kelly** submitted a copy of her resume the following day.

EXHIBIT(sts22a06)

ADJOURNMENT

Adjournment: 5:30 P.M.

SEN. CAROLYN SQUIRES, Chairman

C J JOHNSON, Secretary

MARION MOOD, Transcriber

CS/cj/mm

Additional Exhibits:

EXHIBIT ([sts22aad0.PDF](#))